

MILESTONE OWNERS ASSOCIATION, INC. COLLECTION POLICY

Approved September 17, 2009

Effective January 1, 2010

Revised June 21, 2021

WHEREAS, the Articles of Incorporation and Amended and Restated Declaration of Protective Covenants of Milestone Owners Association provide that the Association is specifically organized to provide for maintenance, preservation and architectural control of the property; and,

WHEREAS, the Articles of Incorporation of the Milestone Owners Association, Inc. provide that the Association shall exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Amended and Restated Declaration of Protective Covenants; and,

WHEREAS, Section 13.1-826 of the Virginia Non-Profit Corporation Act provides that the Board of Directors of a corporation shall have the power to do all things necessary or convenient to carry out its business, and 13.1-826 Subsection 15 provides for the Board of Directors to exercise all powers necessary and convenient to affect any and all of the purposes for which the corporation is organized; and,

WHEREAS, the Board of Directors of the Milestone Owners Association, Inc. has adopted a budget to accomplish the purposes of the Association and has levied assessments against each site.

NOW THEREFORE, the Board of Directors desires to create and establish a procedure by which collection of assessments and other monies due it as provided in the Declaration are to be collected.

Be it RESOLVED that the assessment collection policy for Milestone Owners Association, Inc. effective July 1, 2021, shall be as follows:

- I. The Board of Directors has elected to allow homeowners to pay the current annual assessment in quarterly installments. Said installments are due by the first day of January, April, July and October in advance.
- II. According to the Amended and Restated Declaration of Protective Covenants of Milestone Owners Association, Section 5.8, assessment payments not paid within five (5) days after the due date may be charged a late charge in the greater amount of ten dollars (\$10) or ten percent (10%) of the assessment amount due. The Board of Directors may remove the privilege of paying the annual assessment in quarterly installments from any homeowner who is more than forty (40) days delinquent in the payment of any installment of any assessment. If the privilege is removed, the remainder of the annual assessment shall be accelerated and the entire balance shall be immediately due and payable. The Association shall be entitled to collect all fees and costs of collection, including attorney's fees.

However, the Board has agreed to establish the following policy and procedures in collection of assessments as follows:

- III. Collection of past due accounts shall be as follows:
- a. Accounts not paid by the **30th day of the month** following the beginning of each quarter listed above in Paragraph I shall incur a **late charge of \$10 or ten percent** of the assessment amount, whichever is greater, and be sent a late notice.
 - b. Quarterly accounts which are **two payments in arrears shall be sent a certified late notice (via certified and regular mail) on or about the 30th day of the month following the beginning of the quarter**, requesting payment in full within fourteen (14) calendar days from the date of the letter. Once accounts are two payments in arrears, access to the Milestone Common Area amenities will be suspended until the account balance is paid in full.
 - c. **Those accounts not paid in full at the end of the fourteen (14) day period shall be turned over to the Association's attorney for collection**, accelerating the remainder of the association assessment for the calendar year. The homeowner shall be responsible for all attorney fees, costs of collection (including a one-time attorney referral fee paid to the management company), court costs and fees incurred during the collection process, which includes interest charged on the balance at the maximum rate allowed by law.
 - d. All payments received are applied to the oldest outstanding balance first.
- IV. A judgment is automatically sought when a matter is referred for collection and not resolved either by payment in full or an established payment plan within thirty (30) days of the initial demand letter being mailed from the collection attorney. A lien on the property is created automatically once judgment is docketed.